

POLITICAL ECONOMY

László Bruszt
Sven Steinmo

Tuesdays, 17.15-19.15 Room 2
Register with Liz.Webb@eui.eu

Description: This course is designed as an introduction to the political economy of development in advanced and in evolving market economies. The major goal of the course is to explore the possibilities of establishing a dialogue between two diverging strands in the literature: the one that deals with the political economy of advanced industrial nations of the West and the North, and the other that discusses problems of development in the evolving market economies of the East and the South. In this course we will compare the developmental problems of political and economic systems of several advanced and 'advancing' capitalist states in order to better understand the issues and possibilities facing these countries. The first part of the course will be historical. The goal here is to understand the origins of modern democratic capitalism in its various forms. How and why did we develop the Democratic Capitalist states that now dominate the world economy. We will read a small set of classic texts exploring the origins and development of early capitalism.

The second part of the course deals with alternative routes to capitalism and democracy in the 'later developing countries' of the South and the East. Here we will examine what is sometimes called the problems of "dependent development", the dimensions and various factors of diverging pathways out of the periphery and the debates on the role more advanced countries play in altering or conserving developmental pathways in the less developed countries.

In the third part of the course we turn to the developmental problems of the most advanced industrial democracies. Less developed countries converge towards 'moving targets' – the most developed industrial democracies themselves are in the processes of major social, economic and political changes. The purpose here is to understand the dimensions and the factors of these developments and explore the possibilities of establishing dialogue between the two literatures.

The last section of the course will be devoted to student presentations of their own research. Not all students will be required to present their work, but those who are interested in pursuing PhD theses in comparative political economy and/or public policy will be strongly encouraged to do so.

Requirements:

Attendance and reading is required throughout the term. All students will also be required to present either their work, or the writings to be discussed in a given week. We will set out this schedule in the first week of the seminar. The intention is to give

each participant the opportunity to focus directly on writing related to his or her interests and/or to present their own work before the group. At this point we do not know how many people will participate in the seminar, so we will further discuss these issues at the beginning of the term.

Additionally, all students must write a short (two-three paragraph) summary/question each week briefly examining the week's readings. This summary statement/question must be emailed to the professors as well as that week's class presentors by 12 noon the day of the seminar.

Readings: Please note that there is a **reserve shelf for the readings** of this seminar. Books for this course will be available for short term check out from the library. A number of the readings can be accessed via J-Store and other electronic resources. Please plan your reading schedule accordingly.

Part 1 – The origins of Democratic Capitalism Week 1 - Seminar introduction and Classical arguments – Early development

Weber, Max: *General Economic History* (New York: Collier Books): chs. 22-30 pp. 275-369.

Collins, Randall 'Weber's Last Theory of Capitalism' *American Sociological Review*, December/1980: 925-942.

<http://www.jstor.org/bibliosun.iue.it/browse/00031224/.41-.50?frame=noframe&userID=c0a75a07@iue.it/01c0a80a75005042af0&dpi=3&config=js>

Week 2 - Classical arguments – Early development (continued)

Moore, Barrington. 1966. *Social Origins of Dictatorship and Democracy: Lords and Peasant in the Making of the Modern World*. Boston: Beacon Press, chapters VII – IX, pp. 413 – 483.

Week 3 – Late development

Gershenkron, Alexander. 1962. *Economic backwardness in historical perspective*. Cambridge, Mass.: Harvard University Press: pp: 5-31.

Streeck, Wolfgang, and Kozo Yamamura. 2001. *The origins of nonliberal capitalism : Germany and Japan in comparison*, *Cornell studies in political economy*. Ithaca: Cornell University Press. Chapter 1.

Vitols, Sigurt. 2001. *The Origins of Bank-Based and Market-Based Financial Systems: Germany, Japan and the United States*. In *The origins of nonliberal capitalism* :

Germany and Japan in comparison, edited by W. Streeck and K. Yamamura. Ithaca: Cornell University Press.

Part 2 – Alternative Routes to Democracy and Capitalism

Week 4 – Dependency?

Amsden, Alice H. "Comment: Good-bye Dependency Theory, Hello Dependency Theory," *Studies in Comparative International Development* 38, 1 (2003): 32-38.

Cardoso, F. H. and E. Faletto, *Dependency and Development in Latin America*, pp74-127, 149-172

Arrighi, Giovanni, Beverly J. Silver, and Benjamin D. Brewer, "Industrial Convergence, Globalization, and the Persistence of the North-South Divide," *Studies in Comparative International Development* 38, 1 (2003): 3-31.

Week 5 – Multiple paths?

Gereffi, Gary and Donald L. Wyman, co-editors), *Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia* (1990), Princeton, NJ: Princeton

Gereffi, Gary 2005. *The Global Economy: Organization, Governance, and Development*, in *The Handbook of Economic Sociology*, 2nd ed., edited by Neil J. Smelser and Richard Swedberg (eds.) (2005), pp. 160-182, Princeton, NJ: Princeton University Press and Russell Sage Foundation

Evans, Peter, 2004. "[Development as Institutional Change: The Pitfalls of Monocropping and Potentials of Deliberation](#)" *Forthcoming. Studies in Comparative International Development*. 38(4) [Winter, 2004]: 30-53.

Week 6 - Multiple Paths 2

Stark, David and Bruszt, Laszlo. "One Way or Multiple Paths: For a Comparative Sociology of East European Capitalism," *American Journal of Sociology* 106 (January 2001): 1129-37. <http://0-www.journals.uchicago.edu/bibliosun.iue.it/toc/ajs/106/4>

Burawoy, Michael. "Neoclassical Sociology: From the End of Communism to the End of Classes," *American Journal of Sociology* 106 (January 2001): 1099-120. <http://0-www.journals.uchicago.edu/bibliosun.iue.it/toc/ajs/106/4>

Centeno, Miguel Angel. 2002. *Blood and debt : war and the nation-state in Latin America*. University Park: Pennsylvania State University Press. Chs 1 and 7, pp. 1-32, 261-280.

Week 7 – The Aid Dilemma

Sachs, Jeffrey *The End of Poverty: How we can make it happen in our lifetime*, Penguin Press, 2005

Chapter 12: On the Ground Solutions for Ending Poverty; Chapter 13: Making the Investments Needed to End Poverty.

Easterly, William *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*, Penguin Press, 2006 Chapter 5: The Rich have Markets, the Poor have Bureaucrats

Evans, Peter, 1995. *Embedded Autonomy: States and Industrial Transformation*. (Princeton, NJ: Princeton University Press, 1995, chs. 1, 2 & 10. (Library shelf and check electronic resources).

Additional reading

Easterly, William "The Big Push Déjà vu: A Review of Jeffrey Sachs's *The End of Poverty: Economic Possibilities for Our Time*," *Journal of Economic Literature*, Vol. XLIV (March 2006), pp. 118-127.

Evans, Peter *Dependent Development: The Alliance of Multinationals, State, and Local Capital in Brazil* (1979), 3-54.

Part 3 - Capitalisms in an Evolving World

Week 8 - Changing political economy in Advanced Democracies

Schmidt, Vivien Ann. 2002. *The futures of European capitalism*. Oxford ; New York: Oxford University Press, ch. 1.

Vogel, Steven. 2006. *Japan remodeled: How government and industry are reforming Japanese capitalism*. Ithaca: Cornell University Press. Ch. 1, 2, 7.

Blyth, "One Ring to Bind them all" in Kopstein and Steinmo, *Growing Apart? America and Europe in the 21st Century*, Cambridge University Press, 2008.

Schmidt, Vivien Ann. 2002. *The futures of European capitalism*. Oxford ; New York: Oxford University Press, ch. 1. <http://0-www.oxfordscholarship.com.bibliosun.iue.it/oso/public/content/politicalscience/9780199253685/toc.html>

<http://0-www.oxfordscholarship.com.bibliosun.iue.it/oso/public/content/politicalscience/9780199253685/toc.html>

Week 9 - Social Changes and their Consequences

Esping-Anderson, Gosta. 2002. *Toward a good society, once again?* In *Why we need a new welfare state*, edited by G. Esping-Andersen. Oxford: Oxford University Press. (Library shelf and check electronic resources).

Held, David. 1999. *The transformation of political community: Rethinking democracy in the context of globalization*. In *Democracies Edges*, edited by I. Shapiro and S. Hacker-Cordon. New York: Cambridge University Press. (Library shelf and check electronic resources).



Hemerijck, Anton. 2002. The self-transformation of the European social model(s). In *Why we need a new welfare state*, edited by G. Esping-Andersen. Oxford: Oxford University Press.

Week 10 - Development in the 21st Century? Hall, Peter A. 2007. 'The Evolution of Varieties of Capitalism in Europe' in Bob Hancké, Martin Rhodes and Mark Thatcher (eds.) *Beyond Varieties of Capitalism Conflict, Contradictions, and Complementarities in the European Economy*

Scharpf, Fritz. 2000. "The viability of advanced welfare states in the international economy: vulnerabilities and options". *Journal of European Public Policy* 7 (2):190-228.

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www.informaworld.com/bibliosun.iue.it/smpp/title~content=g713773826~db=all

Scharpf, Fritz, and Vivien Schmidt. 2000. Introduction (vol. 1). In *Welfare and work in the open economy*, edited by F. Scharpf and V. Schmidt. New York: Oxford University Press. (Library shelf and check electronic resources).